

BEFORE THE ILLINOIS COMMERCE COMMISSION

NOS Communications, Inc. :
 Application for a certificate of local and :
 interexchange authority to operate as a reseller :
 of telecommunications services in :
 the entire State of Illinois :

OFFICIAL FILE
 I.C.C. DOCKET NO. 010325
 Exhibit No. 2
 W/1000ESS Stockton
 Date 8/19/201 Reporter _____

(2)

PRE-FILED TESTIMONY OF

Glenn T. Stockton, II

NOS COMMUNICATIONS, INC.

INTRODUCTION

Q1: Please state your name, title and business address and telephone number for the record.

A1: My name is Glenn T. Stockton, II. I am Chief Counsel for Tariff and Regulatory Affairs for NOS Communications, Inc. My business address is 4380 Boulder Highway, Las Vegas, NV 89121 and my telephone number is (702) 547-8000.

Q2: Please give a brief description of your background and experience.

A2: As Chief Counsel of Tariff and Regulatory Affairs for NOS Communications, Inc. I am responsible for maintaining the company's telecommunications certification, negotiation of local resale agreements, and local and long distance tariffing.

I began working for NOS Communications, Inc. in September of 1999 as a staff attorney. I have acted as Chief Counsel for NOS Communications, Inc. since January 2000.

I received a Bachelor of Science degree in Business Administration from the University of Nevada at Las Vegas in 1993. I received my Juris Doctorate in 1996 from Whittier Law School in Los Angeles, California.

PURPOSE AND SUMMARY

Q3: Have you provided testimony before the Illinois Commerce Commission on any other occasion?

A3: No, I have not.

Q4: On whose behalf are you testifying in this proceeding?

A4: NOS Communications, Inc., the Applicant.

Q5: What is the purpose of your testimony?

A5: The purpose of my testimony is to support NOS Communications, Inc.'s Application for a Certificate of Authority to provide facilities-based telecommunications services throughout Illinois.

Q6: Please summarize the main points of your testimony.

A6: Through this testimony, I will demonstrate to the Illinois Commerce Commission that NOS Communications, Inc. is managerially, technically, and financially qualified to conduct the telecommunications operations in the State of Illinois for which authority has been requested. I will also show that approval of NOS Communications, Inc.'s Certificate of Authority to provide facilities-based telecommunications services by the Illinois Commerce Commission is in the public interest.

APPLICATION

Q7: Are you familiar with the Application that NOS Communications, Inc. filed with the Illinois Commerce Commission on April 16, 2001 for a Certificate of Authority to Provide Competing Facilities-Based Telecommunications Services in the State of Illinois?

A7: Yes I am.

Q8: Do you ratify and confirm the statements that are made in NOS Communications, Inc.'s Application?

A8: Yes I do.

Q9: Do you wish to make any changes to any statements that are made in NOS Communications, Inc.'s Application?

A9: Yes, I do.

I wish to amend NOS Communications, Inc.'s answer to Question No. 16 in the Application to provide, in pertinent part: "In the event of a billing dispute, all bills are presumed accurate, and will be binding on the Customer unless objection is received by Applicant within two (2) years after such dispute arises."

Furthermore, Applicant wishes to expand on its answer to Question No. 10 which asks whether there have been any complaints against the Applicant in any jurisdiction. In further response to this question Applicant states that within the last five years, no final decision has been entered by any court or regulatory body regarding Applicant's provision of local exchange telecommunications services that resulted in: (a) assessment of civil penalties; (b) assessment of criminal penalties; (c) injunctive relief; (d) corrective action; or (e) reparations. As a nation-wide interexchange long distance carrier with hundreds of thousands of small business customers, Applicant has, from time to time, issued refunds to its customers but these refunds were never at the express direction of a regulatory body or court.

When any state agency notifies NOS Communications, Inc. of any consumer complaint a staff attorney is assigned to the case and that attorney individually handles the matter until all issues are resolved to the consumer's and agency's satisfaction.

NOS Communications, Inc. is committed to customer satisfaction and, to that end, has a well-trained staff that handles customer complaints. Additionally, NOS Communications, Inc. has installed a highly sophisticated computer software system ("NICE"), costing over \$5 million, that assists NOS Communications, Inc. in its efforts to ensure that no unauthorized switching of a consumer's telecommunications provider occurs.

Q10: Please describe the authority that NOS Communications, Inc. seeks by its Application.

A10: NOS Communications, Inc. seeks authority to provide facilities-based telecommunications services throughout the entire State of Illinois. However, initially, and for the foreseeable time being, NOS seeks to operate in the territories currently served by Ameritech.

Q11: Is NOS Communications, Inc. authorized to do business in the State of Illinois?

A11: Yes it is. A copy of NOS' certificate of authority to transact business in Illinois was attached, as Exhibit 2, to its Application to provide facilities-based local exchange telecommunications services.

Q12: Please provide a brief description of the Applicant and its corporate structure.

A12: NOS Communications, Inc. is a closely-held Subchapter S corporation, where the two corporate directors, Robert A. Lichtenstein and Rosette Delag, each own 50% of the shares of the corporation. Joseph Koppy is the President of NOS Communications, Inc. Michael Arnau is the Chief Executive Officer, and Robert Lichtenstein is the Secretary. ~~From the Vice President of Operations.~~ NOS was initially organized under the laws of the State of Maryland on November 15, 1989.

Q13: Does NOS Communications, Inc. and/or its affiliates hold Certificates of Authority in other jurisdictions?

A13: Yes. Applicant is currently authorized to provide resold intrastate, interexchange telecommunications services in all 48 lower states. Applicant is also currently authorized to provide resold local exchange telecommunications services in Arizona, California, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Nevada, New York, New Jersey, Ohio, Pennsylvania, South Carolina, Texas, Virginia, and Washington.

Q14: How will NOS Communications, Inc.'s customers contact the Company regarding trouble reports, billing errors and complaints?

A14: NOS Communications, Inc. maintains a fully staffed customer service center for purposes of addressing all of its customer inquiries, needs and complaints, including issues relating to billing, service quality, and maintenance. Customer service is available 24 hours/day, 7 days/week

Chief
Counsel
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through NOS Communications, Inc.'s Toll-Free Customer Service Number: 1-800-959-2992. Customers may also write to NOS Communications, Inc., Customer Service Center, 4380 Boulder Highway, Las Vegas, Nevada 89121.

Q15: Does the Applicant have a business office in Illinois?

A15: At the present time NOS Communications, Inc. does not maintain a business office in Illinois.

FINANCIAL QUALIFICATIONS

Q16: Is NOS Communications, Inc. financially qualified to provide the services it proposes to offer within the State of Illinois?

A16: Yes. NOS Communications, Inc. has substantial financial wherewithal and access to ample capital. As set forth in the financial statements for fiscal year 2000, the telecommunications operations conducted by NOS Communications, Inc. garnered over \$352 million in revenues for the year ending December 31, 2000. Attached at Exhibit 4 to its Application is a copy of NOS Communications, Inc.'s audited financial statements for the years ending December 31, 1999 and 2000. A copy of NOS Communications, Inc.'s Chart of Accounts is also provided at Exhibit B to the Responses to Staff Questions. As demonstrated therein, NOS Communications, Inc. possesses more than adequate financial resources to provide competitive telecommunications services in the State of Illinois.

MANAGERIAL QUALIFICATIONS

Q17: Is NOS Communications, Inc. managerially qualified to provide the services it proposes within the State of Illinois?

A17: Yes. The management team of NOS Communications, Inc. is an experienced provider of a wide array of telecommunications services. NOS Communications, Inc.'s management team has considerable experience in marketing, network operations, financial analysis/accounting, customer service, training, sales, regulatory and other relevant areas, as reflected in the biographies of the directors, executive officers and key employees, set forth at Exhibit 3 of the Application.

Q18: Is NOS Communications, Inc. technically qualified to provide the services it proposes within the State of Illinois?

A18: Yes. I again would refer the Commission to my response to the prior Question.

Q21: Briefly describe how approval of NOS Communications, Inc.'s Application is in the public interest.

A21: Approval of this Application is in the public interest because NOS Communications, Inc. is well qualified – technically, managerially, and financially – to serve the Illinois public as a facilities-based carrier. Moreover, permitting NOS Communications, Inc. to provide the services described in this Application will expand local telecommunications service options for customers in Illinois, and will increase competition in Illinois by expanding the diversity of suppliers and competition within the local telecommunications market – without any adverse impact on the Illinois Commerce Commission's goals of universal service and affordable telecommunications services for all Illinois residents.

NOS Communications, Inc.'s participation in the market for local telecommunications services in Illinois will promote consumer choice by expanding the availability of innovative, high quality, reliable and competitively-priced telecommunications services. Approval of this Application also is likely to compel other local telecommunications service providers in the state to improve their existing services, increase the quality and efficiency of their operations, and introduce innovative new services on their own. Moreover, the addition of NOS Communications, Inc. to the Illinois telecommunications market makes it probable that consumers of telecommunications services in Illinois will receive the benefits of downward pressure on prices, improved customer responsiveness, and access to increasingly advanced telecommunications technology.

Q22: Does this conclude your testimony at this time?

A24: Yes it does.

SUBMITTED THIS THE 18th DAY OF JULY, 2001.